

**CITY OF MILWAUKIE**  
**BUDGET COMMITTEE MEETING**  
**August 12, 2019**

Budget Committee Members Present: Lisa Batey, Angel Falconer, Kathy Hyzy, Caili Nance, Michael Osborne, Leslie Schockner, and Jon Stoll

Absent: Mark Gamba, Mary Rowe, Wilda Parks

Staff Present: Steve Adams, Bonnie Dennis, Keith McClung, Ann Ober, Peter Passarelli, and Judy Serio

**Chair Stoll** called the meeting to order at 5:33 pm.

Introductions were done.

Approval of May 20, 2019 minutes

**It was moved by Ms. Batey and seconded by Ms. Falconer to approve the May 20, 2019, meeting minutes as written. Motion passed unanimously.**

City Manager Update

**Ms. Ober** gave project updates on Kronberg Park, the train bridge lowering, the turnaround point for the post office, installation of Washington Street stormwater pipe, Ardenwald and Sellwood SAFE projects, the Library expansion, the comprehensive plan, the transportation systems plan, slurry seal, the well #2 improvements. The new City Hall building is currently in negotiations.

Budget Supplemental

**Ms. Dennis** explained proposed transfer of \$124,000 for the ROW expenses from the City Manager department to the Finance department.

**Ms. Batey** asked about the materials and services amount for the position.

**Ms. Dennis** replied it was previously a full-time position but has been shifted to a part-time position and funds are reallocated for the contract position.

**Ms. Schockner** asked the function of a ROW contractor.

**Ms. Dennis** explained the contractor would look for telecommunications companies using the city's right of way but not currently paying the city.

**Ms. Schockner** asked why the franchise fees are lower.

**Ms. Dennis** replied it is due to timing and more detail will be provided in the quarterly report discussion.

**Ms. Ober** explained the previous full-time staff person performed state and federal work; Ms. Brooks, Assistant City Manager, does most of the government relations work, so the federal and state piece has been moved to her position.

**Ms. Dennis** continued with the Building Fund transfer of \$100,000 from revenue to contractual services to assist with inspection services.

**Chair Stoll** asked any increase to the budget requires a hearing.

**Ms. Dennis** replied yes when it is more than 10% of the fund.

**Ms. Batey** stated previously it was difficult to find outside inspectors.

**Ms. Ober** replied that it has not been an issue.

**Chair Stoll** asked if a vote was needed.

**Ms. Dennis** responded this is advisory.

Review and Discussion of the Quarterly Financial Report for FY19 4th Quarter Ending June 30, 2019

**Ms. Dennis** announced the city received the GFOA award for the CAFR and PAFR. She began with the General Fund; some of the numbers will change due to accruals and adjustments, that have not been booked yet as Finance is going through the year-end process. Investment earnings are high; the city received notice from the LGIP that the interest rate will decrease. Engineering has savings due to vacancies; Facilities Management and PEG fund have funds on hold for the renovation of City Hall.

**Ms. Schockner** asked if after the accruals are done will the franchise fees be close to the budget.

**Ms. Dennis** is expecting it to be under budget.

**Ms. Schockner** asked why franchise fees vary from year to year.

**Ms. Dennis** replied it has to do with telecommunication providers coming into the city or leaving the city.

**Ms. Ober** responded it also has to do with ordinance changes by council, federal and state changes.

**Ms. Batey** asked if providers are paying what is owed.

**Ms. Ober** responded some providers are contesting what is owed.

**Ms. Batey** asked what revenue is accounted for in licenses and permits,

**Ms. Dennis** responded business licenses, alarm permits and parking permits.

**Ms. Nance** clarified the accruals are done for revenue only.

**Ms. Dennis** replied yes, most of the expenditures have been accounted for in the report. She continued with the Debt Service fund. The Building Fund has a significant increase in revenue and materials & services due to inspection services. In the Library Fund, the fines are less than anticipated; materials and services include the temporary building costs. The Transportation Fund has added a section for total funds obligated funds.

**Ms. Ober** clarified that in order to sign a contract the city must have the funds in place.

**Mr. Adams** presented to the committee background on transportation projects, including a explanation of the pavement condition index for city streets.

**Members** discussed the condition and maintenance of the city streets.

**Mr. Adams** continued with stormwater projects related to street reconstruction and the explanation of NPDES and MS4 permits through DEQ requirements.

**Ms. Ober** added there are large stormwater projects, even though the fund has a large balance it does not fully fund the state obligations for installations of the systems.

**Mr. Passarelli** added that with construction comes maintenance; this impacts the workload of staff.

**Chair Stoll** asked if a committed reserve line can be added to the financial statements.

**Ms. Ober** responded that is mainly the city's CIP.

**Mr. Passarelli** presented to the committee water and wastewater projects.

**Members** discussed the well projects, the Stanley reservoir, the SCADA system, taking on debt for projects and rate studies including the financial target for water and wastewater.

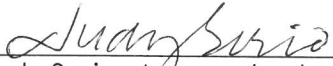
Other Items

None

Adjourn

**Chair Stoll** made a motion to adjourn; it was moved by **Ms. Falconer** and seconded by **Ms. Hyzy** to adjourn the meeting at 7:09 p.m. Motion passed unanimously.

Respectfully submitted,

  
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Judy Serio, Accountant

